BSNL Revenues

1533. SHRIMATI JAYANTHI NATARAJAN:
SHRI N.K. SINGH:
SHRI RAJEEV SHUKLA:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Prime Minister has recently called for a meeting to review the performance of BSNL in view of steep fall in revenues;

(b) if so, the facts thereof and details of discussions held in the meeting and outcome thereof,

(c) whether the factors responsible for steep fall in BSNL's revenues has since been ascertained; and

(d) if so, the details thereof and steps Government propose to take to check revenue losses in BSNL?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT): (a) and (b) Sir, a communication from Prime Minister Office has been received recently, in Department of Telecommunications to review the functioning of Bharat Sanchar Nigam Limited (BSNL) with respect to operational aspects, particularly the financial health and role of BSNL in the current and emerging economic scenario.

(c) and (d) The fall in BSNL's revenue is mainly due to:

- The reduction in tariff due to fierce competition among the existing and new operators.
- Churning of PCO operators to other service providers.
- Reduction in call rates especially in STD call rates in the market.

The steps proposed to check revenue losses in BSNL are given below:

- The tariffs are being rationalized so that there are suitable plans for every segment of society and to increase demand.
- Increase in sale outlets and marketing efforts.
- Broadband services are being provided aggressively even through bundled Broadband plus PCs taking help of PC manufacturers like HCL etc.
- Various Value Added Services on Broadband like IPTV, Games on demand, entertainment portal, web-hosting, web-conferencing, VPN over broadband etc. are being progressively launched and popularized.
- Revenue generation from educational institutions, Sate Government centres and panchayats are being explored.

To further increase its revenue, BSNL has taken several new initiatives. These are as follows:-

- BSNL has engaged M/s Boston Consulting Group (BCG) for advising and providing handholding support in identifying problems and developing strategy keeping in view the changed market conditions.
- Leasing of BSNL's Passive Infrastructure to other service providers.
- Enterprise Business.
- Commercial utilization of fixed assets.
- Exploring international business.
- Introduction of NGN framework to increase revenue streams.
- Introducing Fixed Mobile Convergence to add value to landlines.

Universal Service Obligation Fund

1534. SHRI JABIR HUSAIN:

DR. T. SUBBARAMI REDDY:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Telecom Ministry is planning to amend the Universal Service Obligation Fund (USOF) rules to make it easier for telecoms to access over Rs. 11,000 crore corpus lying with Government to push rural telephony;

(b) whether an amendment is being done to remove rigidity in USOF rules and make it more flexible, and

(c) if so, the other steps being considered to push rural telephony and by what time these measures are likely to be considered?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT): (a) to (c) No, Sir. The existing Rules of Universal Service Obligation Fund (USOF) already have the provisions to provide subsidy support for public telecom and information services in rural and remote areas of the country. These Rules are being amended from time to time to expand the scope of rural telecom connectivity. Last such amendments were carried out in 17.11.2006 and 18.07.2008 to enable support for mobile services & broadband connectivity in rural & remote areas and for providing subsidy support to eligible operators for operational sustainability of Rural wire line Household Direct Exchange Lines (RDELs) installed prior to 01.04.2002.

Various schemes being undertaken/considered for expansion of telecom network in rural and remote areas are provision of Village Public Telephones (VPTs) in the uncovered villages, replacement of Multi Access Radio Relay (MARR) based VPTs, support for RDELs, setting up of shared mobile towers, provision of wire line/wireless broadband connectivity in rural areas, creation of general infrastructure in rural areas etc.